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1. Introduction

It has been argued that technological innovation in Africa is a critical driver of its future development because of the opportunity it presents to leapfrog ahead in important sectors such as financial services, healthcare and education (Elliot *et al.*, 2018; Luiz, 2006; Ndung'u, 2017). Financial technology (fintech) as a technological innovation has been viewed as being particularly important to Africa's developmental trajectory. This is because of its potential to promote financial inclusion on a continent where many people do not have access to financial services (Demirguc-Kunt *et al.*, 2018). Fintech involves the unbundling of banking services (such as settling payments, sharing risk and allocating capital) into their core functions, then providing those services digitally, which provides greater accessibility to more people and thereby promotes inclusion (Chuen and Teo, 2015).

A number of promising African fintech firms have emerged over the last two decades including online payment providers Cellulant and Paystack, mobile-money remittance firm Zoona, and financial services platform JUMO. The increase in venture capital investment into the African fintech industry makes it likely that intra-Africa expansion by fintech firms will continue to grow. Given the growth in the African fintech industry, and the number of fintech firms expanding across Africa, *this paper seeks to explore how African fintech firms adapt their marketing strategies for successful intra-Africa expansion. We examine the challenges experienced by African fintech firms during intra-Africa expansion and how they adapt their marketing strategies to address these challenges.*

The significance of the research is fourfold. Firstly, there is a major gap in the literature around intra-Africa expansion (Ngwu *et al.*, 2015), a paucity on strategies employed by fintech firms (Zalan and Toufaily, 2017), and almost none in relation to African fintech firms in particular, and we generate new insights in this regard. Secondly, it provides understanding on the adaptation of marketing strategies for African expansion - a region that is experiencing rapid economic growth and in many respects represents a future frontier in terms of markets (Boso *et al.*, 2019; Luiz and Ruplal, 2013; Luiz and Stephan, 2012). Thirdly, it develops a comprehension of how fintech firms internationalize and address opportunities at the base of the pyramid through the provision of innovative financial solutions. Lastly, it contributes to our understanding of how marketing strategies can address the negative impact of emerging and frontier country characteristics (Sinha and Seth, 2018), and we propose a framework which addresses these and which can be adapted to internationalize into such markets.

The paper is structured as follows. Section 2 provides the literature review focusing on adapting marketing strategies to emerging markets and Africa in particular. This is followed by the research methodology which utilizes qualitative, exploratory methods based upon interviews with African fintech firms. Section 4 presents our findings and discussion and these are structured around the challenges associated with the African context and how these affect the adaptation of marketing strategies. Section 5 concludes.

2. Literature Review

2.1 The Adaptation of a Firm's Marketing Strategy to Emerging Markets

When entering into a new country, a firm is likely to encounter a myriad of challenges and risks relating to the establishment of its operations and the acceptance of its offerings by new customers (Cuervo-Cazurra *et al.*, 2007), and the firm will be competing for market share with domestic firms, which already have established supply chains, distribution channels and customer bases. The liability of foreignness, dimensions of distance (Johanson and Vahlne, 1977), and the country-of-origin (COO) effect (Sharma, 2011; Vrontis and Thrassou, 2007) all contribute towards these challenges in new markets. This is all the more so in emerging markets and Gaur *et al.* (2011) argue that emerging market characteristics result in a higher liability of foreignness. These characteristics include large heterogeneous populations (Luiz, 2015) with low incomes, inadequate infrastructure (Luiz, 2010), a shortage of resources, corruption, and generally with institutional voids (Barnard and Luiz, 2018; Sharma *et al.*, 2018; Sheth, 2011; Sinha and Sheth, 2018).

From a marketing strategy point of view, firms adapt their marketing strategies in order to achieve a competitive advantage when entering into a foreign market (Hapsari *et al.*, 2017; Vrontis and Thrassou, 2007; Vrontis *et al.*, 2009). Once it has been decided that a firm will expand into a new market and adapt its marketing strategy, the question as to which changes will be necessary for a particular context becomes relevant. Dawar and Chattopadhyay (2002) describe the implications for firm’s segmentation, product, pricing, distribution and communication practices. They argue that segments are coarse and diverse because the costs of segmentation are high and that mass media are not finely segmented, that products need to be functional, built to last, and basic, and that rapid obsolescence is a mistake. They maintain that large volumes and low margins drive profitability and that retail distribution is highly fragmented, but powerful. Their observations and recommendations relating to international firms’ marketing activities in emerging markets are useful as they focus on the impact of having customers with low incomes.

Prahalad and Hart (2002) and Prahalad (2006) suggest that some of the major marketing implications inherent in operating in emerging markets are around customer education and product design. Customer education is key to attaining customers at the BOP, as many do not have access to traditional forms of media. In addition, products should be designed so as to be capable of easily incorporating new features, given the rapid pace of customer evolution in these markets. Anderson and Billou (2007) put forward the 4A's framework, contending that successfully serving the BOP require firms to develop an approach that deals with issues of availability, affordability, acceptability and awareness.

Recent studies by Bang *et al.* (2016) and Sinha and Sheth (2018) have proposed marketing strategy frameworks for firms operating in emerging markets. Bang *et al.* argue that a firm's marketing strategy should be informed by an initial categorization of emerging market consumers as either existing customers of a product category or non-customers of the category; thereafter, existing customers should further be classified as being above average users or below average users. Once these categorizations have taken place, the marketing strategy can be formulated which can focus on market-up gradation, volume expansion, market expansion, or demand fulfilment strategies. Building on Anderson and Billou's (2007) 4A's, Sinha and Sheth (2018) have proposed a framework to inform a firm's emerging market marketing strategy based upon the main challenges to be navigated in emerging markets. Their framework is provided in Table 1. Sinha and Sheth's (2018) framework is relevant as it not only takes into account high-level strategic responses to emerging market challenges, but it also provides details of specific marketing activities. In addition, it considers the impact of technology on marketing in emerging markets, through its 'reinventing reach' strategy (under the accessibility 'A').

Insert Table 1 about here

Of particular relevance to marketing effectiveness in emerging markets, given the challenging environments, is that of strategic flexibility (Brozovic, 2018; Kouropalatis *et al.*, 2012; Osei *et al.*, 2018; Singh, 2014). Strategic flexibility has been defined as firms' ability to adjust available resources to better achieve current and expected future ends in new situations (Evans, 1991; Liu *et al.*, 2013; Nadkarni and Herrmann, 2010). Firms develop strategic flexibility in order to adapt strategies and cope with fast paced and novel market opportunities (Kouropalatis *et al.*, 2012; Sanchez, 1995). From a marketing strategy perspective, Prahalad and Hamel (1990) and Singh (2014) argue that flexibility in the way a firm carries out marketing strategies, enables it to penetrate emerging markets and change patterns of customer choice. Kouropalatis *et al.* (2012) suggest that strategic flexibility is a cycle, and can be achieved through the mutually reinforcing stages of: strategy formulation, commitment, implementation, evaluation, and de-commitment or re-commitment, depending on the external environment. Their findings as to how firms achieve strategic flexibility are relevant because they are based on the marketing strategies of technology firms in new environments, which this study seeks to explore in the African context.

2.2 Technology and Marketing Strategy Adaptations Unique to Africa

There is a scattered and narrow body of literature around firms' marketing strategies in African countries (Amankwah-Amoah *et al.*, 2018). The high levels of ethno-linguistic fractionalization in Africa (Luiz, 2015) provide a complex setting as the high levels of intra-country diversity make it difficult to implement uniform marketing strategies. For example, Ansah (2016) and Bosson *et al.* (2016) studied the significance of cultural heterogeneity on firms' marketing strategies in several African countries, and demonstrate the importance of recognizing this heterogeneity, and adapting marketing strategies and the marketing mix in accordance with intracultural nuances. Other research points to the importance of social media and networks (Chikweche and Fletcher, 2012) for product development, distribution and other marketing mix decisions. The role and of use local community leaders (or opinion leaders) to disseminate information about products also comes to the fore (Acquaah, 2012).

In terms of how technology has been used by firms to market products to African consumers, studies have focused on the usage of social media to create awareness (Olotewo, 2016) and suggest that marketing products to African consumers through social media has been effective. Likewise, studies indicate that African consumers are rapidly embracing contemporary technologies (Amankwah-Amoah *et al.*, 2018; Robertson and Luiz, 2019). Barbour and Luiz (2019) study solutions-driven innovation within an emerging market context, specifically UBER in Africa, and show how it utilized this innovative technology strategy to address institutional voids in these markets. Researchers have applied adapted versions of the technology acceptance model (Davis, 1989) to the African context, to determine the factors likely to predict consumers' adoption of products. In their study on mobile banking in Mozambique, for instance, Baptista and Oliveira (2015) found that performance expectancy, hedonic motivation and habit were precursors to consumers' intentions to use mobile banking services. In this regard, Baptista and Oliveira (2015) suggest that firms invest in educating customers and prioritizing user experience over usability. Studies in emerging market countries have found that technology distrust may be a factor which limits the uptake of fintech products, hence the need for education (Cruz *et al.*, 2010). We explore this further in our study below.

We conclude the literature review with a conceptual framework which outlines the key emerging themes of adaptations required for marketing strategies for African expansion. Figure 1 illustrates the importance of reflecting on the African context which provides specific challenges associated with low levels of development, high heterogeneity, and institutional voids. We propose that this context provides particular market challenges for internationalization associated with higher liability of foreignness (Luiz, Stringfellow, and Jefthas, 2017). Sinha and Sheth (2018) advise that marketing strategies for emerging markets need to be adapted to context as regards affordability, accessibility, acceptability, and awareness. This provides a lens for our study for African markets. Furthermore, given our focus on the fintech sector, we explore the adaptation particular to the sector.

Insert figure 1 about here

3. Research Methodology

This research utilizes a qualitative method to study how African fintech firms adapt their marketing strategies for successful intra-Africa expansion. In addition, in aiming to provide insights into the relatively new and under-researched topic of intra-Africa expansion, the study can be classified as exploratory, rather than descriptive or causal (both of which are suited to studying topics where robust theory already exists) (Creswell, 2014).

Data was collected by means of semi-structured in-depth interviews between July and November 2018. Interviews were conducted face-to-face with participants in person, or online via Skype or Zoom. The population relevant to the study consists of individuals from African fintech firms who have been directly involved in, or responsible for, the adaptation of marketing strategies during intra-Africa expansion. The sample size for this report was twenty participants who are senior members of fourteen African fintech firms. The participants all have a number of years of experience expanding into different African countries and are therefore experts in their fields. The study used purposive sampling to identify participants based on their experience relevant to the study. Purposive sampling techniques allow researchers to recruit participants with expert knowledge in an area, thereby enabling in-depth exploration of a topic (Bryman and Bell, 2015). Purposive sampling is also well-suited to new subject areas where little information exists. Indeed, it has been employed for exploratory research in new industries such as fintech (Zalan and Toufaily, 2017). The full list of research participants interviewed, including details of their internationalization expansion experience, is summarized in Table 2.

Insert Table 2 about here

Thematic analysis was carried out as a data analysis method. Once the interviews were conducted, their contents were transcribed by the researchers and thereafter organized and prepared for manual coding (Creswell, 2014). The analysis of the transcripts was conducted line-by-line, mindful of the importance of deriving meaningful core themes. Coding participants' interview responses, and thereafter organizing them into appropriate categories, enabled the researchers to extract themes and analyze them. The thematic coding is apparent in Tables 3 – 5 which are discussed below.

The validity and reliability of the research process have been ensured by addressing credibility, dependability, transferability and confirmability (Bryman and Bell, 2015). Credibility has been enhanced by conducting member checks with research participants to minimize any researcher bias in analyzing and interpreting the results. Dependability has been enhanced through keeping an audit trail and coding the data more than once, with a number of days in between each coding cycle. Transferability has been enhanced by using a purposive sampling technique for greater in-depth findings. Finally, confirmability has been enhanced by keeping a reflexive journal throughout the research; in this journal, each research step was reflected on by the researchers so that they could examine their assumptions and preconceptions and how these might influence the research decisions taken and the results thereof.

4. Findings and Discussion

4.1 The major challenges experienced by African fintech firms during intra-Africa expansion

Participants were asked to identify, from a marketing perspective, the main challenges that their firms experienced during intra-Africa expansion. After coding the interview transcripts, twenty-six codes were identified. Codes which dealt with the same issues were then re-categorized and five key themes were finally extracted from the categories and these are presented in Table 3 which also lists key participant quotes supporting each theme.

Insert Table 3 about here

Participants described finding and working with local people in new African countries as being a challenge. Local people were identified as being important for firms to partner with in order to access customers, navigate poor infrastructure, overcome dimensions of distance and the liability of foreignness. As Participant 16 stated, “entry into new markets really depends on local partnerships to access customers.” However, participants found that locating motivated and skilled people was difficult, and furthermore some engaged in corrupt practices. These issues have been raised previously in the literature on emerging markets with Sheth (2011) describing the “chronic shortage of resources” (p. 169) and Sharma *et al*. (2018) the problems associated with corruption.

Inadequate infrastructure in African countries provided a marketing challenge because it resulted in limited distribution and promotional channels available to reach customers. As

Participant 2 stated, “you cannot rely on existing systems as easily to reach customers” and Participant 8 explained that “there are very limited marketing channels for us, so we don’t have a lot to work with.” One of the results of poor infrastructure is the need to find alternative ways of reaching customers by working closely with local people. This reinforces the work of Onyemah and Akpa (2016) who show that developing economies require unique marketing and distribution channels.

Participants identified the fact that customers in African countries were not accustomed to using fintech products as a challenge and this was related to a lack of product understanding and a distrust of technology. For many African customers, the products provided by the fintech firms were their first encounter with formal financial products. In their study on mobile banking services in Africa, Baptista and Oliveira (2015) argue that because African customers have not expected to have institutional support in using mobile banking services, they have not traditionally used it.

Substantial cultural and language barriers to navigate when expanding into new African countries were identified. These barriers impact the ability of firms to market their products effectively to local customers and to work with local people. According to Participant 15, “there’s a certain way that people would like to be approached in different countries as partners and customers and you have to figure out what that is, which is hard.” Issues of cultural distance are magnified in Africa which has amongst the highest levels of ethno-linguistic fractionalization (Luiz, 2015) which results in high levels of heterogeneity within individual markets.

Participants identified a number of issues relating to the low-income levels of customers and the impact it has on the way products can be priced. Pricing strategies from African fintech firms’ home markets could not simply be replicated in a new market. As Participant 6 stated, "regarding price point, from a commercial perspective coming in at a lower price point is what you are forced to do in Africa." The base of the pyramid requires innovative pricing and pricing plans which are accessible to low income households.

4.2 Adaptation of marketing strategies

Participants were asked how they marketed their products or services when expanding into new African countries in order to deal with the marketing challenges identified. Upon transcribing the interviews, twenty-five codes were identified, which were grouped into thirteen categories, and six themes were then extracted from the categories - these are presented in Table 4.

Insert Table 4 about here

In order to navigate challenges relating to extensive local barriers, innovative methods were employed to work with local people and form partnerships with them as well as employing locals (either permanently or on an ad hoc basis). As Participant 16 stated, "we recruit people, not necessarily formal employees, [we] hand pick people in the markets that we want to enter." An important category under this theme was working with local community members in the new locations. As Participant 12 stated, "we hire maybe two people in the community that we nickname 'brand ambassadors', who will sit in public transport and talk about our products."

To overcome the challenge of customers being unaccustomed to using fintech products, firms prioritized customer education even before they entered a market. Education often involved members of the community, who were used to help educate customers. In addition, participants described forming personal relationships with their customers in order to sell products as these "relationships give [firms] tremendous clout in brand recommendations" (Dawar and Chattopadhyay, 2002, p. 465). Firms adapted the messaging of their promotions in accordance with local nuances upon entering a new market and this was compounded by the high levels of heterogeneity in terms of ethnicity, language and culture within each country.

Firms reported adapting their pricing strategies to deal with customers' low-income levels and different spending habits in new countries. A number of strategies were outlined, including "pay-as-you-go" and "buy one get one free". Deep discounts were offered to their customers' customers (bearing the cost), in an effort to enhance the relationships with their customers and get people to use their products. The key was often to get customers to use the products at all costs and then afterwards to find ways of doing so profitably once they were customers. A number of respondents mentioned that too many firms associated pricing strategies with the price only and not with the pricing mechanism, and that pay-as-you-go was a game changer at the base of the pyramid.

Almost all participants identified using social media in some form to sell and advertise products when expanding into new African countries in order to overcome inadequate infrastructure. In addition, participants indicated that they made extensive use of online influencers on social media. According to Participant 6, for instance, "there's a person called [name withheld here for anonymity] with so many followers and it's amazing because when we launched WhatsApp banking in Nigeria, they featured us on their list and when this person posts something they get the most engagement I've ever seen." Because of the lack of penetration of traditional marketing media at the base of the pyramid in African countries, social media is particularly effective at circumventing these obstacles and at relatively low costs.

Participants were asked how they determined the success of a marketing strategy in a new African country and the responses fell into the following themes: success is measured by customer volume; by financial results; and by customer behavior. Almost all participants stated that the performance of a marketing strategy could be measured by the number of new customers gained in an African country. Although participants had different ways to measure this, success came down to how many new customers a strategy could attract, and that customer volume was a more important metric than anything else at the start in order to gain first-time customers. For example, Participant 14 explained that “From a tech business perspective, it is usage. Usage is very important - if we’re not seeing usage on the ground then it won’t be successful. If our usage has been growing, then that is very successful. And looking at how we can start driving usage some more (system usage, people using the platform). That’s what helps me sleep at night.” Thereafter, financial results were used to determine the success of a marketing strategy including “ROI” and “profitability”. Marketing strategies that were able to attract the lowest customer acquisition costs were also identified as being successful. According to participants, a marketing strategy in a new African country could be considered successful if it creates desirable customer behavior. The types of desirable customer behavior mentioned by participants included tangible behavior such as “usage of products” (Participant 12) and customer “loyalty” (Participant 19). However, it also included more intangible behaviors such as customer “happiness” (Participant 12).

4.3 The key components of a successful marketing strategy

Participants were asked what marketing approaches had been the most effective for their firm when expanding into a new African country. A total of thirty seven codes emerged from the transcripts, which were categorized into thirteen categories, and six themes were then extracted as per Table 5.

Insert Table 5 about here

Participants indicated that effective marketing strategies involved using community members to distribute products and to create awareness (including to educate customers). Community plays a central role in African culture and people are more willing to use or want to use products if community members have endorsed them. As Participant 13 stated, "to be successful in Africa you have to tap into the mindset of people and that is one where the community is more important than the individual." Participants also stated that relationships with customers, distributors and community members were prioritized when expanding into Africa. As Participant 18 stated, "relationships in Africa, almost at a personal level, are probably your biggest currency." For example, Mwiti and Onyas (2018, p. 613) demonstrate the role of communities as market actors and the role they play in reconfiguring practices, norms, and resources. They show how this creates new opportunities in terms of market exchange through inclusive networks.

Due to the heterogeneous nature of African countries, customer geographical segmentation was identified as being critical for the carrying out of an effective marketing strategy. Participants stated that significant localization of strategies was needed, even within the same country. According to Participant 1, for instance, "even within a country like DRC, you have many tribes and each of those people are different and have to be targeted differently." Ansah (2016) highlights the importance of firms adapting each part of the promotional mix in accordance with each African country's cultural and language nuances.

Participants once again described the need to educate customers about their products. Education was carried out through online and offline channels. Successful online channels included social media, where content in the form of videos was posted online. Offline education included having face-to-face workshops with customers, as well as social gatherings. An interesting category under this theme was thought leadership. Respondents reported establishing themselves as thought leaders on certain topics related to their products in order to gain credibility and trustworthiness in the eyes of consumers.

Respondents identified the need to be flexible in carrying out their marketing strategies, using phrases such as "conducting experiments" (Participant 5) and "constantly evaluating strategies and being willing to change" (Participant 20). Flexibility was also discussed specifically in relation to the strategies of carrying out customer education and geographic segmentation. Participants identified the characteristics of strategically flexible firms described by Kouropalatis *et al*. (2012) (namely, strategic resources, decentralization, and process and implementation effectiveness) with firms being significantly decentralized and with authority being delegated to "people on the ground" (Participant 2), enabling them to act quickly.

5. Conclusions, implications and limitations

The study shows that, upon undertaking intra-Africa expansion, African fintech firms face the challenges of finding and working with local people, inadequate infrastructure, customers not being accustomed to using fintech products, language and cultural barriers, and low-income levels which make pricing a challenge. They adapt their marketing strategies to address these challenges by working with local people to educate customers about their products given the newness of their product offerings and the technological aptitude required. Firms adapt their communication strategies to include both educational content and often use social media as a promotional channel. Community members are involved in the distribution of products and in the education of customers. Insofar as relationships are concerned, firms prioritize relationships with local distribution partners and community members. Local partners also help firms navigate language and cultural barriers and thus segment their customers geographically, which is necessary given the level of heterogeneity in Africa. Finally, firms have a flexible approach in strategy adaptation and in carrying out their education and segmentation strategies.

Our results add nuance and contribute towards the research by Sinha and Sheth (2018) on emerging countries' marketing strategies and challenges framework, and that of Kouropalatis *et al*.'s (2012) strategic flexibility model and we adapt these for the African fintech context as illustrated in Figure 2. We propose that African fintech firms adopt a bottom-up, value proposition-driven marketing strategy in order to successfully navigate the environment. Our framework provides a lens through which to understand the components of successful strategy adaptation in Africa, against the backdrop of the unique market challenges inherent in this emerging market continent.

Insert Figure 2 about here

Figure 2 sets out how African fintech firms can adapt their marketing strategies for successful intra-Africa expansion. Beginning with the African context itself, the diagram canvasses the kind of bottom-up marketing strategy required, and the adaptations required for successful expansion. We discuss each component in turn.

The African context provides particular market challenges faced by firms including poor infrastructure, low incomes, poor human capital, high heterogeneity and an unfamiliarity with financial products. Poor infrastructure relates to limited distribution and promotional channels available to distribute products to consumers. This makes expansion difficult because, even in the case of software products, traditional channels can often not be relied upon and instead relationships need to be leveraged. Low income levels make it challenging for consumers to afford products and this impacts the pricing strategies employed by firms. Pricing usually has to be lowered in an effort to gain customers, and this can result in losses by firms initially as they build up sufficient volume. It is a challenge for firms to find innovative ways to make products affordable to consumers. Poor human capital relates to the difficulty in finding motivated and skilled people to work with in African countries. It is necessary to work with local people in order to gain access to consumers and to navigate poor infrastructure in these markets. High heterogeneity refers to the significant ethnic, cultural and language barriers in these markets which need to be navigated during expansion. These barriers impact firms' ability to market their products effectively to local consumers as well as to work with local people (exacerbating the challenge of poor human capital). The challenge of consumer unfamiliarity with financial products refers to consumers being unaccustomed to using any formal financial products, and therefore needing to be educated significantly about them. In addition, there is a level of distrust by consumers of technology itself, and firms have to work hard to win the trust of consumers.

The next component is ensuring a value proposition driven marketing strategy. In order to navigate the African context, firms should recognize and utilize the uniqueness of their product's value proposition and develop a marketing strategy which brings that to the fore. The very issues highlighted under the context and challenges provide the backdrop to the development of a value proposition which addresses the concerns. In deciding on a value proposition, a large amount of "on the ground" consumer research should be undertaken, and firms should have a clear understanding of what problem their product is trying to solve. It is essential that their strategy is tailored to their consumers (end users), and that it appropriately differentiates them from competitors, positioning them as the right solution to a problem.

Implications

In terms of implications we single out seven aspects to marketing strategy adaptations that firms should specifically prioritize when considering intra-Africa expansion. Firstly, effective marketing strategies often require that the local community be involved in distributing products and creating awareness about products. The reason for this is that community plays a central role in African culture and people are often more likely to use a product if the product has received endorsement from a community member. In creating consumer awareness, community involvement can take the form of in-person or online campaigns (i.e. through social media). Secondly, the prioritization of stakeholder relationships with customers, distributors and community members. Relationships are central in achieving success in cultures which are often collectivist in nature. In addition, relationships need to be leveraged to navigate challenges associated with poor infrastructure. Thirdly, given its high level of heterogeneity, segmenting consumers geographically is critical for the carrying out of an effective marketing strategy in an African country. Significant localization of strategies is required, even within the same country. In order to localize effectively, local people often need to be used to sense check the relevance of products and communications. Fourthly, customer education to realize Africa-specific value propositions. Firms need to educate customers about the usefulness of their products and how they can be used to improve consumers' lives. Education can be carried out through online or offline channels (for instance, using community members) and often involves significant investment in time. Providing "thought leadership" content is also useful as it helps to build trust and credibility in the firms' brand, which is particularly important in the case of financial products. Fifthly, using local people to distribute products is important to the success of a marketing strategy. Local people understand the nuances of the market and can help distribute products in the most effective and low-cost ways. Finding local people often needs to be done through on the ground research, but can also be achieved through tapping into relevant networks. Sixthly, being mindful of the challenges around the context of under-development implies an adaptation of pricing and communication strategies tailored to the environment. Lastly, the need to be flexible and agile in strategy adaptation is vital to successful intra-Africa expansion. The ability to "fail fast", learn from mistakes and share learnings within the organization helps navigate challenges and the influx of new information. This gives these firms a competitive advantage over firms who cannot adapt to such a fast moving and unpredictable environment.

Theoretically our research brings to the fore the importance of context-driven marketing strategies that distinguish that vast parts of the world have very different needs and markets requiring value-driven propositions that address these needs. Taking into consideration that almost half of the world's population still lives on less than $5.50 per day, the World Bank (2018: 13) states that 'it is important to recognize that what constitutes a basic need can vary depending on a country's level of consumption or income. ... The cost of performing the same function may differ across countries depending on their overall level of income.' Furthermore, we demonstrate that it is not sufficient to just bring emerging markets into the discourse but that we need to recognize the substantial differences that exist within what is commonly referred to as emerging markets. Our research on African markets contributes to the development of meaningful theorization of this context and its marketing implications.

Limitations

The research has limitations related to the exploratory nature of the methodology and future research could enhance the generalizability with a larger number of participants, and by conducting a longitudinal study which may provide a richer understanding of strategies adopted over time as consumers adapt to their strategies. We also did not evaluate the financial or other quantitative impacts of the strategies to measure effectiveness, and including financial data to confirm participants' reports would enhance the findings. Lastly, research could test the applicability of the strategic flexibility model in other industries where intra-Africa expansion is increasing, and in other fast-growing technology industries in Africa where flexibility would provide a competitive advantage, such as those of healthcare technology and educational technology.

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Table 1: Marketing strategies and emerging market challenges (Sinha and Sheth, 2018, p. 223)

Marketing strategies	**Emerging market characteristics**				
	Heterogeneity	Socio-political governance	Unbranded competition	Chronic shortage of resources	Inadequate infrastructure
Affordability					
- Democratizing the offer	√			√	
- Upscaling products	√		√		
Accessibility					
- Managing reach	√			√	√
- Reinventing reach	√			√	√
Acceptability					
- Cultural fusion	√	√	√		
- Functional fusion	√	√			
Awareness					
- Building brand identity	√		√		
- Engaging stakeholders	√	√		√	

Table 2: Details of research participants

Participant number and role at the fintech firm	**Years of experience**	**Type of fintech firm**	**African country/ies participant has had expansion experience**
1. Head of Strategy	5 – 10 years	Mobile money	Botswana, Cameroon, DRC, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Zambia, and Zimbabwe
2. Co-founder	5 – 10 years	Card payments	Rwanda
3. Head of Growth	Under 5 years	Card payments	Rwanda
4. Chief Financial Officer	5 – 10 years	Mobile money	Malawi, Mozambique and Zambia
5. Co-founder	10 - 15 years	Mobile money	Malawi, Mozambique and Zambia
6. Marketing Manager	5 – 10 years	Mobile money	Kenya, Ghana, Nigeria and Zambia
7. Marketing Manager	5 – 10 years	Mobile money	Nigeria
8. Head of Marketing	5 – 10 years	Mobile money	Kenya, Rwanda, Tanzania, Uganda and Zambia
9. Founder	Under 5 years	Compliance	Ghana, Kenya, Nigeria, South Africa and Uganda
10. Head of Marketing	Under 5 years	Online payments	Mauritius
11. Co-founder	5 – 10 years	Online payments	Mauritius
12. Business Developer	Under 5 years	Online payments	Kenya, Tanzania and Zimbabwe
13. Marketing Manager	5 – 10 years	Online payments	Cameroon, Mali and Senegal
14. Chief Executive Officer	10 – 15 years	Payment security	Kenya, Mozambique and Nigeria
15. Marketing Manager	5 – 10 years	Online payments	Tanzania, Uganda, and Zambia

16. Business Developer	5 – 10 years	Online payments	Tanzania and Uganda
17. Co-founder	10 – 15 years	Payment solutions	Ghana, Kenya, Nigeria and Uganda
18. Chief Executive Officer	10 – 15 years	Payment solutions	Ghana, Kenya, Nigeria and Uganda
19. Head of Marketing	5 – 10 years	Cryptocurrency	Ghana, Nigeria, Tanzania and Uganda
20. Marketing Manager	Under 5 years	Online payments	Ghana

Table 3: Quotes illustrating the challenges from a marketing perspective during intra-Africa expansion

Participant	Participant quotes
	1. Working with local people
Participant 2	“Finding people to work with you and take you seriously in a new country is hard. … “Never mind finding, but even working with people who speak a different language is hard.”
Participant 5	“We find that corruption is a problem in the people we have worked with.” “The way meetings are run is completely different. You will sit in a meeting with a CEO for 6 hours and he will have other mini-meetings in front of you. It’s frustrating.”
Participant 6	“From a business side, I must say that businesses are structured the way it is here but there is a massive disconnect between the top and the bottom end of people - people who sit in the middle level are highly unskilled.”
Participant 18	“I’ve experienced in East Africa a sense of resistance, where they say, you know, you people from South Africa think you know everything - you don’t understand our challenges here.”
	2. Inadequate infrastructure
Participant 2	“A challenge is low infrastructure, so you can’t rely on existing systems as easily to reach customers.”
Participant 4	“Finding ways to distribute your product given the available resources and infrastructure in a country is hard.”
Participant 8	“The biggest deterrent for us from a marketing point of view is really the accessibility of our customers to different marketing channels. … We use SMSes to reach customers, and if you’re out of range – which happens a lot in our markets – they don’t get delivered.”
Participant 15	“Our point-of-sale needs a smartphone attached to it and you’ll find that a lot of businesses are not willing to give their employees smartphones, so we need to partner with telco’s so that they can provide the smartphones for this business.”
	3. Mistrust of technology and fintech
Participant 2	“Because you’re often one of the first providers of this specific technology or financial service, you actually need to start earlier in the buyer’s journey with more education.”
Participant 6	“Everything is cash-based, and people don’t like working with banks and have no trust for technology so it’s extremely difficult in those markets.”

Participant 8	"For 80% of our customers, this is the first time that they have come into contact with financial services."
Participant 15	"The biggest challenge we face is that people don't have a lot of product know-how."
	4. Language and cultural barriers
Participant 2	"Language is also a big challenge; so, you have hundreds, if not thousands, of languages."
Participant 6	"The first and most major challenge is the culture difference, the way that business is conducted. Strategies have to be adapted extensively to cater to cultural nuances."
Participant 14	"There is serious localization. If you look at Nigeria and Lagos, it's a very different place. It's like a different planet to Abuja. Different languages - it's a whole other thing."
Participant 15	"Sometimes you get lost in the nuances and it needs a lot of research for us to be able to understand what these people consider a sale or how you approach it."
	5. Low incomes levels and product pricing challenges
Participant 2	"Affordability is tricky and whether people can actually afford your product or pay for it. Can you actually get it into the market at a price point that they can afford? It's a bit less about competition but can you actually deliver the product at a price that the customer can afford? That's an issue."
Participant 3	"People - especially on the SME side - are ridiculously price-sensitive. "The other thing that that we really struggled with is when you move to. … So, people can't afford to pay monthly for anything and everything is just a pay-as-you go thing."

Table 4: Quotes illustrating the adaptation of marketing strategies to deal with African expansion

Participant	Participant quotes
	1. Work with local people
Participant 8	"You need someone on the ground to let you know how a message will be perceived and understood by the target audience."
Participant 14	"We've looked to centralize our support base and build local internal administrative support structures and front-line support with people and that helps overcome language barriers and so on. … We install people who become pods inside a bank in their support department. So, we pay locals to work as embedded employees within the bank."
Participant 20	"We make sure that we hire local foot soldiers wherever we go so that we can understand the nuances. … With communications, there's always a check done by someone who is familiar with the culture."
	2. Customer education
Participant 8	"We also spend time educating customers about the type of products. …[Customers] usually don't have a bank account, they don't have a house or car loan. What we do is educate our customers on how to responsibly use the product."
Participant 9	"We have had to prioritize customer education. Making sure people know what our products do. Customer education has been our number one marketing activity."
Participant 19	"It's just about doing a lot of education and teaching people what you do. We host events, we do like WhatsApp groups, we do a lot of content that is specific to that market and teach them what our product does. We've also created a bunch of blogs to let people know what the product does and how it works."
	3. Personal relationships with customers
Participant 2	"In the early days, most [marketing] is word of mouth - direct. Going out, meeting with customers, getting to know them. We try to create relationships with customers."
Participant 9	"I mean your product should be good you should have the fundamentals in order for any client to use it, but a lot also really depends on the relationship and connections that you have. So, we have been very purposeful about making connections."
Participant 17	"We have made the effort to go out there and make personal relationships with customers."
Participant 18	"We have worked through either an existing relationship or a relationship based on a referral and then literally use that. We have built quite a strong network of relationships."
	4. Adaptation of communication strategies

Participant 3	"What works much better for East African customers is this communication around 'become associated with good businesses' or 'show off that you are a good business', different from our South African communication. Communication becomes much more centered around how a certain product positions you in a community, rather than what a certain product does for you specifically."
Participant 12	"So, in terms of marketing strategies, what we've realized as a company is that a cookie-cutter communications strategy does not work - one size does not fit all. What works for Kenya definitely does not translate into the Zimbabwean market dynamic. However, there are obviously some similarities."
Participant 14	"So, if you just think about what language means to a culture and how it represents your thoughts, there's a lot of localization. People perceive messages differently, and you need to be careful about that."
	5. Adaptation of pricing strategies
Participant 3	"It's pay-as-you-go for electricity, pay-as-you-go for airtime, tv, etc. and so the concept for signing up for something that's going to cost you $X per month is a concept that people just did not buy in to. And so, we had to play around with 'pay annually' instead of 'monthly' and then tried 'pay as you go'."
Participant 6	"We've had to think hard about pricing and adapting it based on what customers were willing to pay. In some cases, we did not drop the pricing as much as we initially thought we were going to because we focused on the value that we brought to the customer."
Participant 16	"We've employed strategies like giving out the terminals free to people we consider 'high value' merchants, because then it will create awareness. We have found that giving away a free product to a potentially large customer still enables us to get our transaction fees."
	6. Use of social media
Participant 1	"We have mostly used Facebook and other forms of social media to market to customers. Going in [using] social media makes sense, because of the relatively low cost and high reach."
Participant 12	"We use Facebook posts because everyone has Facebook and it's easy to reach customers that way. Using social media helps us overcome issues relating to bad infrastructure because we can reach people who we wouldn't otherwise have reached."
Participant 13	"We use social media, which is interesting. It gives us good reach, even in the most rural of places. We have seen sales through using social media where we haven't been able to get on the ground."
Participant 19	"In Nigeria, influencers are very important and so we use them in social media campaigns."

Table 5: Quotes illustrating the themes related to the key components of, and factors involved in, a successful marketing strategy

	1. Community involvement in the marketing process
Participant 3	"You have to find much more community-focused and word-of-mouth focused distribution methods that build on that community element of, if somebody tells me this is a good product then I believe it. … There is a massive cultural difference of how Africans consume products to the way people in the Western world do. And essentially it comes down to the fact of a culture is more community driven than individualistic."
Participant 4	"One thing we've done that's been successful is getting people from the community to sell products. Going into a new market... you just got to create that awareness - word of mouth from well-known people is obviously the most powerful method."
Participant 8	"We know that community is very important and that women in the community can be leveraged so actually we're piloting something in Uganda, where we are creating sort of like a shared community, like a platform, where people from different businesses can ask questions specific to their industries."
	2. Relationships are prioritized
Participant 7	"Our marketing is based on relationship-building. We have people who are assigned to important customers. Africa is mostly relationship-based so you need to go in and get to know people."
Participant 9	"If you want to really get into markets you need relationships, I don't know how else you could do it."
Participant 15	"[Success] has been face-to-face marketing where you just go into someone's office, sit down with them and have a cup of tea, have a conversation, explain your product to them. Surprisingly, it's been very effective."
Participant 17	"It all comes down to relationships because people have a strong sense of community here and will listen if someone else refers them."
	3. Customers are segmented geographically
Participant 1	"It's a horrible cliché, but it's this whole Africa is not a country thing. You need to make sure you have segmented your market properly."
Participant 6	"A lot of Western organizations see Africa as a whole and don't segment it and take a big skip over the fact that there are very different cultures influenced by very different things. There is no way of having a generic plan and need to have a segmented plan for every region. You can have overarching plans, but you need to drill down for each region you go to and that's the most important thing and that's what we've been doing differently and that's working very well for us."

Participant 19	"There are really nuanced aspects of different markets that not everybody thinks about, that really can affect your bottom line - for example, you know, mobile money limitations are really different from east Africa to West Africa, so you can't use the same strategies."
	4. Customer education is important
Participant 1	"I would say, you need to spend time teaching people about the product. Take the time upfront. We have found that telling people what to do through social media has been great."
Participant 15	"Doing things like online workshops have been useful for us. We have tried to create a lot of content, so people know that we are the 'go-to' company for online payments."
Participant 20	"We have done videos for customers, where people they know show them what the product is, how to use it, etc."
	5. Usage of local distribution partners
Participant 4	"Using locals as a last mile distribution partner has been successful for us. At one time we shifted people around because we were worried about fraud, but that was a disaster, you actually want local people from the community."
Participant 15	"Employing people, putting a lot of marketing behind that, understanding the market in terms of what do they need, how can you help them, how can you fit into that specific market, what other hardware or software do they need, who are the partners that you need to partner with for your business to be successful?"
	6. Flexible approach to strategy adaptation
Participant 2	"You really need to break up the different phases of your expansion and you need to start with a small group of users and learn from that. Figure out what works and what doesn't with [the small group of customers], and then move to the next phase. You need to figure out a lot before you can commit to a strategy and you need to be willing to change your mind."
Participant 4	"We do a lot of growth experiments - like nudges - which are very quantitative – and learn from that. Because we monitor these, we can make changes based on what we're seeing."
Participant 5	"You don't want to boil the ocean, because you might end up spending six months on planning something and then you miss out - put together something 'quick and dirty' and then test it."
Participant 20	"Don't lead with marketing, lead with understanding and then keep adapting, especially when it comes to what your customers want."

Figure 1: Emerging constructs for marketing strategy adaptations in African markets and its translation into the fintech sector

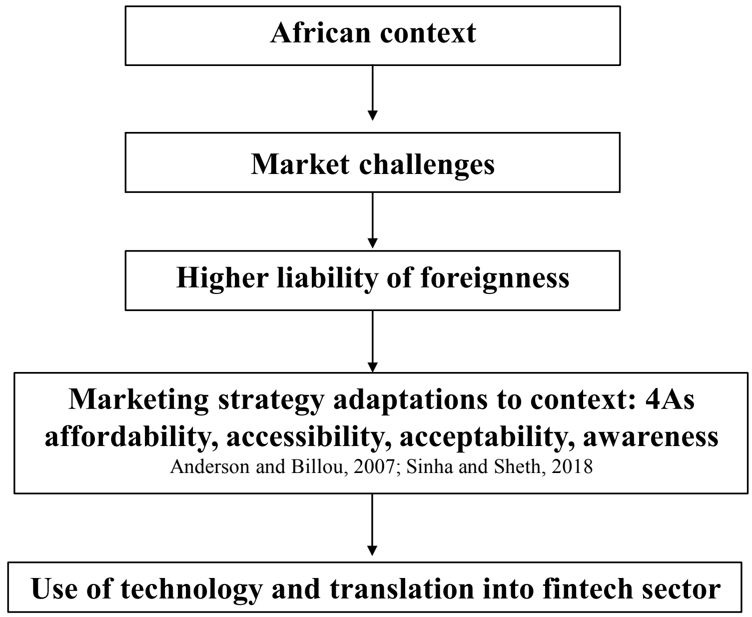

Figure 2: Marketing framework for African fintech firms for intra-African expansion

African context: Market challenges

- Poor infrastructure
- Low incomes
- Product pricing challenges
- Poor human capital
- High heterogeneity including ethno-linguistic
- Mistrust of technology
- Unfamiliarity with financial products/unbanked

↓

Value proposition driven fintech marketing strategy

↓

Marketing strategy adaptations required for successful expansion

- Local, local, local! Community involvement in the marketing process
- Relationship building with customers through personal and local networks
- Prioritization of relationships
- Careful geographic segmentation of customers due to heterogeneity
- Adaptation of communication strategies
- Use social media
- Adaptation of pricing strategies
- Customer education to realise Africa-specific value proposition
- Usage of local distribution partners
- Flexible approach to strategy adaptation